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THE *Livestock* SITUATION

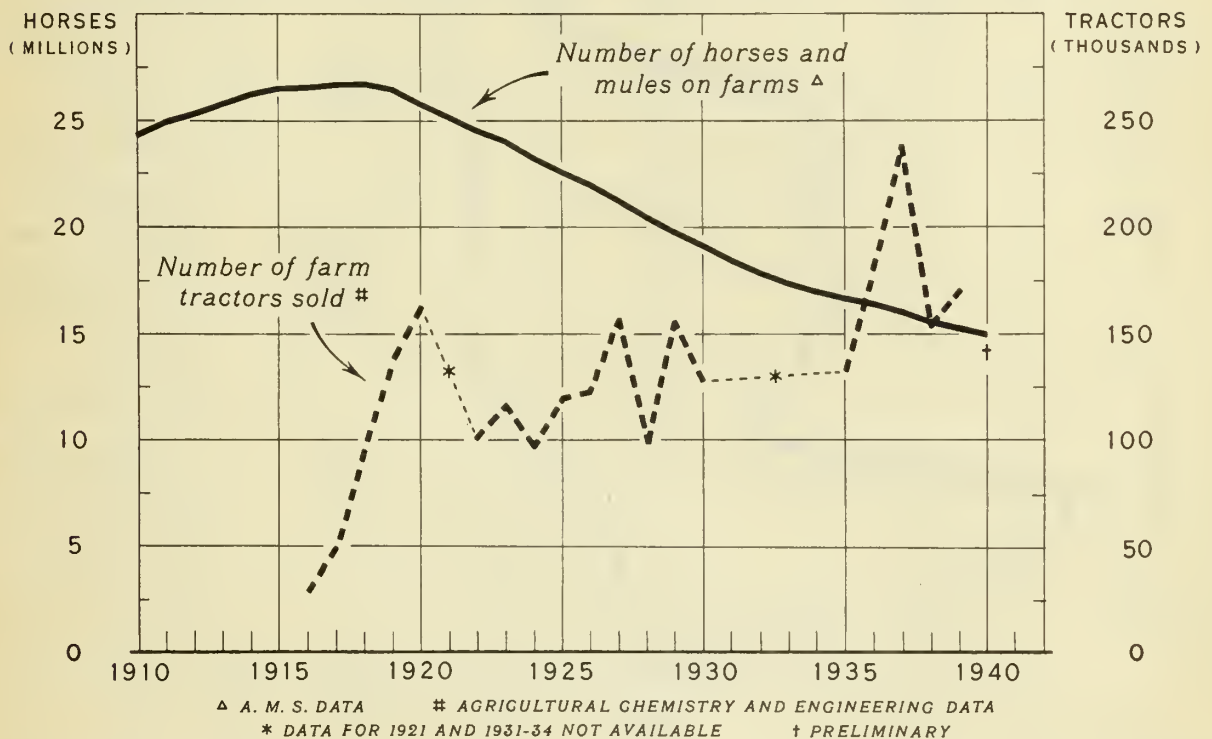
BUREAU OF AGRICULTURAL ECONOMICS  
UNITED STATES DEPARTMENT OF AGRICULTURE

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NOVEMBER 1940

HORSES AND MULES ON FARMS JANUARY 1, AND  
FARM TRACTORS SOLD, UNITED STATES, 1910-40



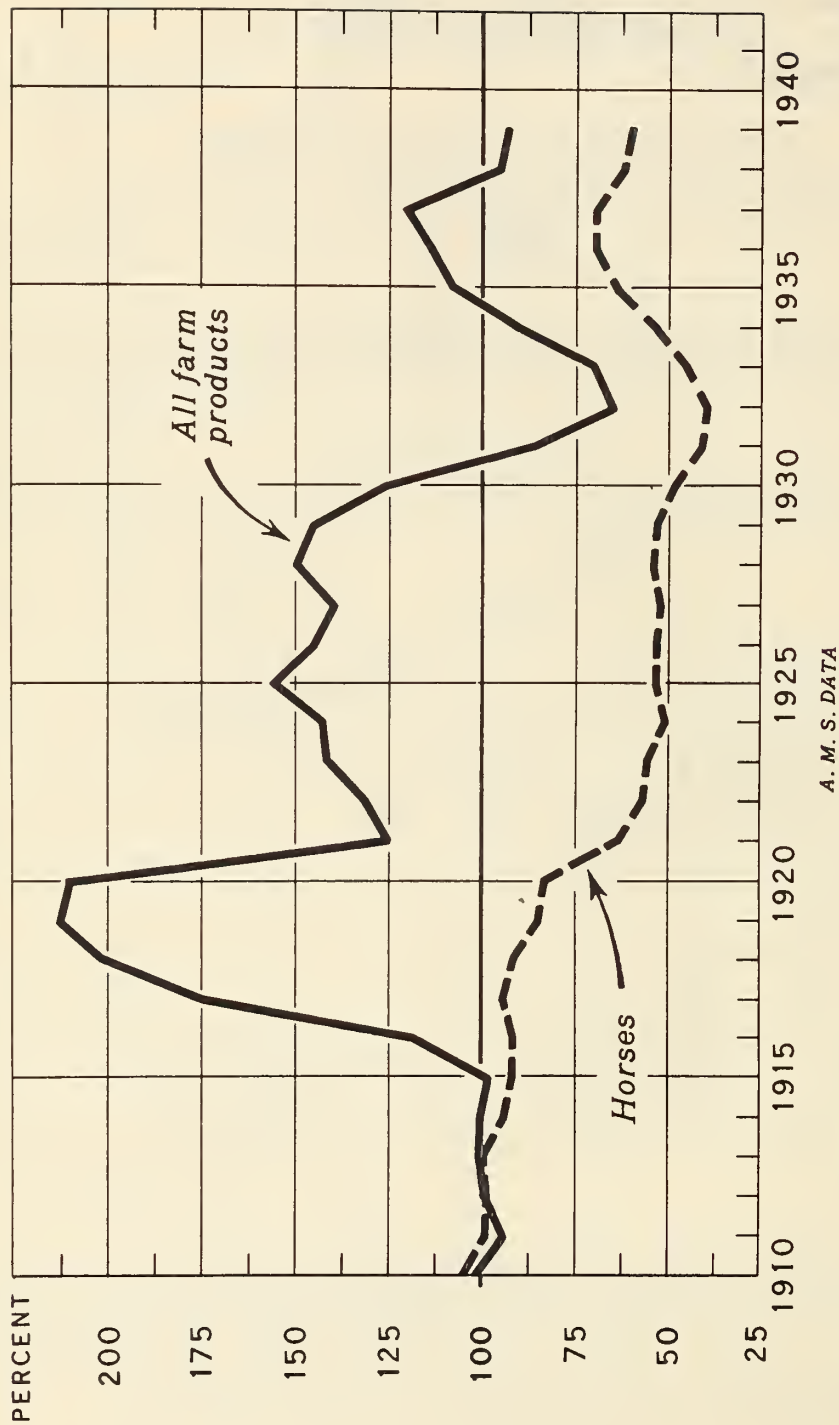
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THE NUMBER OF HORSES AND MULES ON FARMS IN THE UNITED STATES HAS DECLINED STEADILY SINCE 1918, LARGELY AS A RESULT OF THE RAPID SUBSTITUTION OF MECHANICAL POWER FOR HORSE POWER. ANNUAL SALES OF FARM TRACTORS INCREASED SHARPLY FROM 1916 TO 1920, AND IN 1937 THEY WERE MORE THAN DOUBLE THE NUMBER SOLD 15 YEARS EARLIER.

# PRICES RECEIVED BY FARMERS FOR HORSES AND FOR ALL FARM PRODUCTS, UNITED STATES, 1910-39

INDEX NUMBERS (AUGUST 1909-JULY 1914=100)



U. S. DEPARTMENT OF AGRICULTURE

NEG. 38746 BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 1.- CHIEFLY BECAUSE OF THE CONTINUING SHIFT TO TRACTORS AND POWER EQUIPMENT, PRICES OF HORSES HAVE BEEN LOWER IN RELATION TO PRICES OF OTHER FARM PRODUCTS IN THE PAST 25 YEARS THAN THEY WERE IN THE PERIOD 1910-14. PRICES OF HORSES ADVANCED FROM 1932 TO 1937 PARTLY BECAUSE OF A DECREASE IN TRACTOR SALES DURING THE DEPRESSION YEARS AND ALSO BECAUSE OF THE SHORTAGE OF HORSES IN MANY AREAS FOLLOWING THE LONG PERIOD OF DECLINE IN NUMBERS. IN 1938 AND 1939 PRICES OF HORSES DECLINED ALONG WITH PRICES OF MOST OTHER FARM PRODUCTS.

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THE LIVESTOCK SITUATION  
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Summary

The seasonal reduction in hog marketings probably will be greater than usual during the early months of 1941. Market supplies of hogs will be substantially smaller next year than in 1940, but supplies of cattle may be larger. Consumer demand for meats in 1941 will be considerably better than in 1940, and this will be an important supporting factor to livestock prices next year.

Present indications are that the number of cattle fed in the 1940-41 season will be fully as large as the number fed in the 1939-40 season, if not larger. The number of lambs fed in 1940-41 is expected to be larger than a year earlier.

A considerable increase in cattle feeding is expected in the Western Corn Belt, but there will be some reduction in the Eastern Corn Belt. Because of relatively large shipments of light-weight feeder cattle into the Corn Belt in recent months, marketings of grain fed cattle in the first half of next year may be smaller than a year earlier. But increases in marketings of such cattle probably will occur in the last half of 1941.

Most of the increase in lamb feeding this season will be in the Corn Belt States. Shipments of feeder lambs into the Corn Belt were later than usual this year. The increase in the number of lambs fed will be reflected in larger slaughter supplies of sheep and lambs during the 1940-41 fed lamb marketing season (December-April). The effect of the increase in slaughter supplies upon lamb prices probably will be more than offset by the stronger consumer demand for meats and the higher prices for wool in the coming winter and spring than a year earlier.

Slaughter of all species of livestock increased sharply in October. Inspected hog slaughter increased 40 percent over September and was the largest for the month on record. Slaughter of cattle, calves, and sheep and lambs also increased more than the usual seasonal amount in October, apparently as a result of some holding back of marketings in September.

Despite the sharp increase in slaughter supplies, prices of hogs declined relatively little during October; lamb prices advanced a little, and prices of the better grades of slaughter cattle advanced to the highest level reached in 3 years. This strength in livestock prices is due chiefly to the improvement in domestic consumer demand for meats in recent weeks. Cash farm income from meat animals increased more than the usual seasonal amount in October, a result of the large increase in marketings and less than seasonal decline in prices.

- November 19, 1940

#### REVIEW OF RECENT DEVELOPMENTS

##### HOGS

##### Hog prices weaker in October and November

Hog prices declined moderately during October and the first half of November. The drop in prices was small in relation to the unusually large increase in marketings since late summer, however. An important factor supporting hog prices in recent weeks has been an improvement in the domestic consumer demand for meats. The average price of butcher hogs at Chicago for the week ended November 9 was \$6.30, compared with \$6.40 for the first week of October and \$7.25 for the first week of September. Last year prices of butcher hogs declined from \$8.30 in early September to \$6.45 in early November.

The spread between prices of butcher hogs and packing sows has narrowed considerably since late summer as marketings of sows and heavy butcher hogs have decreased seasonally. Corn prices weakened a little in late October and early November, but the ratio of hog prices to corn prices continued about as unfavorable as it has been for the past month or so. The ratio of the average price of hogs to the price of No. 3 Yellow corn at Chicago for the week ended November 9 was 9.9, compared with 13.0 a year earlier.



October hog slaughter largest for  
the month on record

The weekly rate of hog marketings has increased sharply during the past 2 months. And slaughter supplies have continued much larger this fall than last, despite the 8 percent reduction in the 1940 spring pig crop from that of 1939. In October, the first month of the 1940-41 marketing season, Federally inspected slaughter totaled 4,483,000 head, over 40 percent more than in September and 23 percent more than in October last year. It was the largest October slaughter on record. Apparently many farmers are marketing spring pigs early this fall as a result of the unfavorable relationship between hog prices and corn prices. This has been reflected to some extent in the marketing of hogs at somewhat lighter weights this fall than last.

Exports of pork and lard continue small

Exports of lard during September totaled 9,956,000 pounds, compared with 10,181,000 pounds in August and 24,693,000 pounds in September last year. Practically all of the shipments during the month were to Latin American countries, and for the first time in many years no exports to European countries were reported. Cuba was the largest importer, taking nearly 6 million pounds; Mexico was the second largest with nearly 2 million pounds.

Total exports of pork during September amounted to 3.9 million pounds, compared with about the same quantity in August and 5.2 million pounds a year earlier. As in the case of lard, practically all of the exports were to Latin American countries. Canada continued to receive the relatively small quantity that has been going to that country in recent months, but shipments to the British market were negligible.

Exports of lard in the first 9 months of 1940 totaled 169 million pounds, about 80 percent as much as was exported in the corresponding period of 1939. Exports of pork for the period totaled 84 million pounds, compared with 98 million a year earlier.

Storage stocks of pork and lard reduced  
seasonally during October

Storage stocks of pork were reduced seasonally during October. The net out-of-storage movement during the month amounted to about 31 million pounds. Stocks on November 1 totaling 298 million pounds were 9 percent larger than a year earlier but 8 percent smaller than the 1934-38 November 1 average. Included in the November 1, 1940 figure is nearly 45 million pounds of pork owned by the Surplus Marketing Administration.

Storage holdings of pork ordinarily reach the low for the year about November 1 and increase steadily during the period of heavy hog marketings in the late fall and early winter.

Lard stocks were reduced by about the average amount during October, but storage holdings on November 1 continued much above average and were the largest for that date on record. Of the approximately 222 million pounds in

storage on November 1 about 50 million were owned by the Surplus Marketing Administration.

Storage holdings of pork and lard on the first of the month, average 1934-35 to 1938-39, 1938-39 and current marketing year

Month	Pork			Lard		
	Average			Average		
	1934-35	1939-40	1940-41	1934-35	1939-40	1940-41
	to			to		
	1938-39			1938-39		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
October	344.6	300.2	329.2	87.6	78.8	235.7
November	323.7	272.7	1/ 298.3	69.6	68.7	1/ 222.3
December	378.9	332.3		71.8	89.0	
January	502.0	469.5		95.6	162.1	
February	584.6	589.6		120.5	202.2	
March	603.7	650.7		126.7	256.6	
April	580.1	652.7		129.9	268.8	
May	561.3	612.0		129.1	266.1	
June	515.7	592.6		129.4	283.9	
July	474.7	598.5		130.2	306.8	
August	422.6	548.7		121.2	303.2	
September	361.9	417.6		101.8	272.3	

Bureau of Agricultural Economics.

1/ Preliminary.

#### CATTLE

#### Steer prices reach 5-year high in early November

The spread between prices of the upper and lower grades of slaughter cattle widened further during October and early November, as prices of choice and prime beef steers advanced to the highest level reached since November 1937. Prices of the lower grades of slaughter cattle advanced a little in October but weakened again in early November. The trend in prices of short-fed and grassy cattle has been seasonally downward since late summer.

The average price of good grade beef steers at Chicago for the week ended November 9 was \$11.75, compared with \$11.25 for the first week in October and \$9.60 in the corresponding week of 1939. Prices of the lower grades of slaughter steers in recent weeks have not been greatly different from a year earlier. Marketings of long-fed steers appear to have been a little smaller this fall than last, and cattle prices generally have been supported by stronger consumer demand for meats than a year earlier.

Prices of stocker and feeder cattle advanced during October, and in early November they were around 50 to 75 cents higher than a year earlier. Last fall the average price of stocker and feeder steers at Kansas City remained steady at around \$8.00 per hundred pounds for several months. Prices



of feeder cattle this fall have been considerably lower in relation to prices of fat cattle than they were last fall.

### Cattle slaughter increased sharply in October

Supplies of cattle increased sharply during October. Federally inspected slaughter for the month totaled 968,000 head, 19 percent more than in September and 8 percent more than in October last year. In contrast with the usual seasonal movement, cattle slaughter decreased from August to September this year. And in view of the greater than usual increase in slaughter in October, it appears that marketings were delayed during September in order to take advantage of the improvement in pastures and ranges which occurred as the result of rains during the late summer. Inspected cattle slaughter in the 4 months July-October this year totaled about 2 percent greater than a year earlier.

Inspected calf slaughter totaling 507,000 head in October was 20 percent larger than in September and 5 percent greater than in October last year.

### Imports of cattle reduced in September

Imports of all cattle during September totaled a little less than 30,000 head, compared with 35,000 head in August and 20,000 head in September last year. About 12,000 head of the September imports were cattle weighing over 700 pounds (exclusive of dairy cattle and cattle for breeding purposes) from Canada, subject to the quarterly quota under the 1938 trade agreement with that country. About 15,000 head were cattle weighing under 700 pounds, not included in the quota arrangement and subject to the full 2-1/2 cents per pound duty; most of these came from Mexico. The remaining 2,000 head imported during the month were dairy cattle and cattle for breeding purposes, imported entirely from Canada.

Cattle imports from Canada, Mexico, and all countries, by weight groups, and imports of beef and veal, January-September 1936-40

Period:	Cattle									Beef and veal,	
										: total all	
										: countries	
	Canada			Mexico			All countries			Beef	
	: 700	:		: 700	:		: 700	:		: and veal	
	:Under: lb.	:		:Under: lb.	:		:Under: lb.	:		:Canned: fresh,	
	: 700	: and	All	: 700	: and	All	: 700	: and	All	: beef: pickled	
	: lb.	: over:	cattle:	: lb.	: over:	cattle:	: lb.	: over:	cattle:	: 2/ : and	
	: 1/	:		: 1/	:		: 1/	:		: cured	
	:Thou-	Thou-	Thou-	Thou-	Thou-	Thou-	Thou-	Thou-	Thou-	Mil.	Mil.
	:sands	sands	sands	sands	sands	sands	sands	sands	sands	lb.	lb.
Jan.-											
Sept.:											
1936	: 75	132	220	120	21	141	196	154	362	73	5
1937	: 110	145	267	153	25	178	264	170	447	70	5
1938	: 43	40	94	177	30	207	221	69	303	58	3
1939	: 82	137	232	334	45	379	416	182	611	70	4
1940	: 76	88	179	270	31	301	345	119	480	51	7

1/ Exclusive of cattle imported for dairy purposes.

2/ Actual weight of imports, chiefly from Argentina, Uruguay, Brazil, and

Imports of heavy, dutiable cattle during the third quarter (July-September) of 1940 totaled 36,000 head, about 30,000 head of which came from Canada and about 6,000 head from Mexico. The maximum number of such cattle permitted entry at the reduced duty ( $1\frac{1}{2}$  cents per pound) in any one quarter is 52,000 head from Canada and 8,000 head from Mexico. Imports from Canada have been less than that number in each of the past 3 quarters, but imports from Mexico exceeded the quota in the first and second quarter of this year.

#### LAMBS

##### Lamb prices strengthened in early November

Lamb prices held fairly steady during October and advanced a little in early November, despite heavy marketings of lambs in recent weeks. The average price of good and choice slaughter lambs at Chicago for the week ended November 9 was \$9.60, compared with \$9.30 for the first week of October and \$9.40 in the corresponding week of 1939. Prices of wool have advanced considerably since late summer, and this has been an important factor supporting lamb prices this fall. Lamb prices have held about steady since early August; ordinarily they decline a little during the late summer and early fall as marketings increase seasonally. Prices of feeder lambs have averaged about the same this fall as last.

##### Slaughter of sheep and lambs increased sharply in October

Marketings of slaughter lambs increased sharply during October. Federally inspected slaughter of sheep and lambs for the month totaled 1,734,000 head, 18 percent more than in September and 9 percent more than in October last year. As in the case of cattle, it appears that marketings held back during September accounted for the greater than seasonal increase in marketings during the following month. Thus far in the grass-lamb marketing season (May-October) inspected slaughter of sheep and lambs has been about 1 percent larger than in the corresponding period of 1939.

#### FEED SITUATION

The total supply of feed grains available October 1 is now estimated at about 115 million tons, or about 2 million tons more than the supply indicated a month earlier. Since October 1 the estimate of the 1940 corn crop has been increased about 3 percent. The indicated production of grain sorghum was reduced a little during the month, however. The 1940 supply of corn, including corn under seal or held by the Government on October 1, is now estimated to be about 3,135 million bushels, compared with 3,202 million bushels last year. Except for last year it is the largest corn supply since 1932.

Corn yields have not been quite so large this year as last, and the quality of the 1940 crop is not quite so good as in the previous 3 years. There is considerable variation in both quality and yields of the 1940 crop, whereas the 1939 crop was quite uniform in these respects.

The number of livestock to be fed is a little smaller this year than last, and with only a moderate reduction in feed production, the available feed supply per animal unit is again large. The number of grain-consuming animal units on farms on January 1, 1941 is expected to be around 132 million, compared with 136.7 million on January 1, 1940. If the quantity of corn sealed or held by the Government on October 1 is excluded, the supply of feed grains per animal unit is slightly larger than the corresponding supply last year and it is 5 percent larger than the 1928-32 average.

The fall and winter feed supply in the Western Range States is considerably better this fall than last and above average. As a result of fall rains and mild temperatures over a considerable portion of the area, there is a good supply of range forage for late fall and winter use. Until recently mild open weather made it possible to make full use of the late range growth, roughage, and field feeds. Except for local areas, the supply of hay and other feeds is ample for the number of livestock to be fed during the winter. Range and pasture feeds are reported to be good in the Dakotas, Oklahoma, and Montana, with the best winter feed prospects in several years. Local feed shortages were reported in Wyoming, Colorado, and New Mexico and in the Panhandle of Texas, but west of the Main Range fall and winter ranges are above average. Wheat pastures in Colorado and Kansas have furnished much more feed this fall than last. The condition of range cattle and sheep is above average.

#### OUTLOOK - HOGS

BACKGROUND.- Hog production increased sharply in 1938 and 1939 after having been greatly curtailed from 1935 through 1937 as a result of reduced feed supplies. The 1939 pig crop was the largest in the 16 years of record. It was 19 percent larger than the 1938 crop and about 50 percent greater than the small crop of 1935. As a result of the large number of hogs raised in 1939, inspected hog slaughter in the 1939-40 season increased to 47.6 million head, 20 percent more than a year earlier and the largest inspected slaughter since 1928-29. Since late 1939 the ratio of hog prices to corn prices has been unfavorable to hog production, and the 1940 spring pig crop was reduced about 8 percent under that of a year earlier.

#### Large October slaughter indicates early marketing of 1940 spring pig crop

In the September issue of The Livestock Situation it was pointed out that as a result of an unfavorable hog-corn price ratio this fall many farmers would market their spring pigs early this year. Since then marketings have increased sharply, and despite the 8 percent reduction in the 1940 spring pig crop, the weekly rate of hog slaughter so far in the 1940-41 season, which began October 1, has been much larger than a year earlier. Apparently farmers are marketing their spring pig crop earlier than they did last year and probably earlier than they have for several years.

Even though the seasonal increase in marketings during November and December probably will not be so pronounced as in October, it now appears



likely that the proportion of the 1940 spring pig crop marketed before January 1 will be larger than usual this season. In this event hog slaughter in the second quarter (January-March) of the marketing year probably will be considerably smaller than a year earlier. This will mean a greater than usual seasonal decrease in hog slaughter in the late winter and early spring, which probably will be accompanied by a fairly sharp advance in hog prices, particularly if consumer demand conditions continue to improve during the next few months, as now seems likely.

The size of the 1940 fall pig crop is not yet known, but on the basis of breeding intentions reported by farmers on June 1 and other information, the number of pigs farrowed during the 1940 fall season (June-December) probably will be at least 12 percent smaller than a year earlier. This reduction will be reflected in a similar reduction in hog marketings late next spring and summer, which will be a price-supporting factor during the last half of the marketing year.

For the entire 1940-41 marketing year, hog prices are expected to average substantially higher than in 1939-40 because of the improvement in consumer demand and the decrease in hog marketings.

#### Hog production in 1941

Although hog marketings in 1941 will be considerably smaller than a year earlier, and the domestic demand for meats is expected to improve further during 1941, the ratio of hog prices to corn prices probably will not become favorable to hog production for a few months. The number of sows to farrow next spring will be determined largely by the number bred this fall and winter. It now seems probable that the 1941 spring pig crop will be moderately smaller than the spring crop of 1940. With prospects for a favorable hog-corn ratio in the coming spring and summer, the 1941 fall pig crop may be larger than that of 1940. But market supplies of hogs are not likely to be any larger in 1941-42 than in the current marketing year, and they may be somewhat smaller.

#### Export demand for pork and lard continues unfavorable

Export demand for pork and lard probably will be little if any better during the current season than a year earlier. But since exports have been small in the past few years, weakness in the export demand for hog products will not be an important price-depressing factor in 1940-41. Hog production in Canada and Canadian exports of bacon to Great Britain are continuing at record high levels, and no material increase in British purchases of pork in this country is expected.

#### OUTLOOK - CATTLE

BACKGROUND.- From early 1934 to early 1938 cattle numbers in the United States were greatly reduced, largely as a result of the severe droughts of 1934 and 1936. Slaughter of cattle and calves was relatively large during this period. Since 1938 cattle numbers have again increased, and as a result of the

holding back of breeding stock for herd-building purposes, slaughter of cattle and calves was moderately reduced in 1938 and 1939. Thus far in 1940 it has been only a little larger than in 1939.

### Cattle feeding situation

Developments in the cattle feeding situation during October indicate that the number of cattle to be fed during the 1940-41 season will be fully as large as the number fed in the 1939-40 season, and perhaps will be a little larger. Information now available points to a decrease in feeding operations in the Eastern Corn Belt States, where feed supplies are considerably smaller this fall than last, but there probably will be a considerable increase in the Corn Belt States west of the Mississippi River. Little change from a year earlier is expected in the number of cattle fed in the Western States, but an increase appears likely in Oklahoma and Texas.

The movement of stocker and feeder cattle into the Corn Belt States in October continued large. Shipments inspected at stockyard markets were a little larger in October than a year earlier and the largest for the month in over 10 years. For the four months, July through October, such shipments were 8 percent larger this year than last and the largest for the period since 1923. Shipments from stockyards to the Eastern Corn Belt were smaller this year, but they were much larger to the Western Corn Belt.

As indicated in the accompanying table, direct shipments of stocker and feeder cattle into seven Corn Belt States also were larger in October than a year earlier. And for the four months July through October the total of both market and direct shipments into these seven States was 11 percent larger than in the corresponding period last year. Although records as to total shipments into the Corn Belt are lacking, it seems probable that the total for the four months July through October this year was as large as in any other year and much above average. Shipments into Iowa have been much the largest in 20 years, the four-month total being about three-quarters of a million head. The total shipped into Minnesota also was of record proportion.

Feeder cattle and calves received in several  
Corn Belt States, July-October, 1939 and 1940 <sup>1/</sup>

Month	: Shipments from :		Direct		: Total ship-	
	: public stockyards:		shipments		: ments <sup>2/</sup>	
	: 1939 :	1940 :	: 1939 :	1940 :	: 1939 :	1940
	: Thou-	Thou-	: Thou-	Thou-	: Thou-	Thou-
	: sands	sands	: sands	sands	: sands	sands
July .....	75	107	51	45	126	152
August .....	149	157	85	107	234	265
September .....	196	223	158	164	354	386
October .....	250	281	200	208	450	489
Total July - :						
October ...:	670	768	494	524	1,164	1,292

<sup>1/</sup> Data obtained from the offices of the State Veterinarians for Ohio, Ind., Mich., Wis., Minn. Nebr., and Iowa.

<sup>2/</sup> Total of unrounded numbers.



Reports from the Western States early in November continue to point to little change from last year in the total number of cattle fed in those States. The total in the 4 Rocky Mountain States is expected to be smaller this year as a result of a rather sharp decrease in Colorado, but the total in the States west of the Continental Divide will probably be somewhat larger. An increase in feeding in Texas, especially in the South Plains area, is also expected this year.

Records of shipments of stocker and feeder cattle from four leading markets show that the distribution by kinds during October was similar to that in the preceding 3 months. While the total number of steers was larger this year than last, the number of heavy feeders (over 1,000 pounds) was much smaller in October this year than last, and the number of medium weights (800 to 1,000 pounds) was a little smaller. The number of light weights (500 to 700 pounds) was larger, but the number of calves and of cows and heifers was smaller. This and other information indicates that marketings of fed cattle in the first half of 1941 will be a little smaller this year than last, but a moderate increase over a year earlier may occur in the supply of fed cattle in the late summer and early fall of 1941.

#### OUTLOOK - LAMBS

BACKGROUND.-- The total number of stock sheep and lambs on farms and ranches has not fluctuated greatly during the past 10 years, although there has been a slight upward trend since about 1935. The lamb crop in the Western Sheep States also has increased moderately since 1935, but the crop in the Native Sheep States has changed very little since 1931. The 1940 lamb crop totaled 32.7 million head; it was 3 percent larger than a year earlier and the largest crop on record.

#### Lamb feeding situation

The lamb feeding situation has changed somewhat during the past month. In the October Livestock Situation it was stated that the number of lambs fed this fall and winter would be about as large as a year earlier. Information now available, however, indicates that the number of lambs fed during the 1940-41 feeding season will be larger than in the 1939-40 season, and unless marketings of lambs for slaughter should be much larger in November and December than a year earlier, the number of lambs remaining on feed on January 1, 1941 will be substantially larger than at the beginning of 1940. The movement of feeder lambs out of Texas this year has been of record proportions, and much of the expected increase in feeding this year over last will be of Texas lambs. However, with prospects for wool prices to continue higher than a year earlier, a considerable proportion of the Texas lamb crop probably will be held for marketing next spring as shorn yearlings.

Most of the increase in lamb feeding this year over last is expected to be in the Corn Belt States; the number fed in States outside the Corn Belt States may not be greatly changed. Shipments of feeder lambs into the 11 Corn Belt States from public stockyards in October were considerably

larger than in October last year, and for the 4 months July-October they totaled about 3 percent larger than a year earlier and were the largest in 6 years. As indicated in the accompanying table, direct shipments of feeder lambs - not going through stockyards - into 7 Corn Belt States in October were much larger this year than last, and for the 4 months July through October, the total of all shipments into these 7 States was about 250,000 head or about 12 percent larger than a year earlier. Available information indicates that total shipments into the 4 other Corn Belt States were little changed from last year. Total shipments into the Corn Belt during this 4-month period were probably as large as in any other year.

Feeder sheep and lambs received in several Corn Belt States, July-October, 1939 and 1940 1/

Month	Shipments from		Direct		Total	
	public stockyards		shipments		shipments <u>2/</u>	
	1939	1940	1939	1940	1939	1940
	Thou-	Thou-	Thou-	Thou-	Thou-	Thou-
	sands	sands	sands	sands	sands	sands
July .....	43	70	141	103	184	173
August .....	158	122	256	307	414	429
September .....	157	177	665	775	822	951
October .....	219	222	595	713	814	935
Total, July-October ....	577	591	1,657	1,898	2,234	2,489

1/ Data obtained from the offices of the State Veterinarians for Ohio, Ind., Mich., Wis., Minn., Neb., and Iowa.

2/ Total of unrounded numbers.

Considerable variation is noted from last year among the Corn Belt States in the change in volume of feeding. Fewer lambs probably will be fed in the Eastern Corn Belt this year than last, with larger numbers in Ohio and Wisconsin more than offset by reductions in Illinois and Indiana. Little change is expected in Michigan. In the Western Corn Belt substantial increases in Minnesota, Iowa, South Dakota, and Kansas will total much more than the probable decreases in Missouri and Nebraska. A material reduction in feeding in the Scotsbluff area of Nebraska, and some reduction in the Central Platte Valley, will more than offset increases in other parts of the State. There has been a record movement of lambs to wheat pastures in western Kansas and some increase over last year to other sections of that State.

Reports from the Western States, based upon information available early in November, indicate that the total number of lambs fed in that area will be smaller this year than last. There will be a sharp reduction in Colorado with the total fed the smallest since the 1926-27 season. Reduction in the main feeding area, however, will be partially offset by the increase in numbers on wheat pastures in the eastern part of the State. Little change in the total of the other Rocky Mountain States is expected, with the number fed in Montana larger and in Wyoming smaller than a year



earlier, and with little change in New Mexico. The number of lambs fed in the States west of the Continental Divide is expected to total somewhat larger this year than last.

The number of lambs fed in other States outside the Corn Belt will total substantially more this year than last. A material increase in Texas and some increases in North Dakota and in the western New York feeding area are expected. Because of the slow growth of wheat pastures in Oklahoma in October feeding in that State may be no larger than a year earlier.

#### THE HORSE AND MULE SITUATION

The number of horses and mules in the United States increased steadily for many years prior to the World War, coincident with the expansion of agriculture in this country during that period. But since 1918 the trend in the number of work animals on farms has been downward, reflecting the rapid adaptation of tractors and power machinery to farm work formerly performed exclusively by horses and mules. At the peak in 1918 the total number of horses and mules on farms was about 26.7 million head. By 1940 the number had declined to about 14.9 million head. This represents an average decrease of about 500,000 head annually. The number of horses and mules not on farms, that is, in urban areas, declined from approximately 3.5 million head in 1910 to probably less than 200,000 head in 1940.

The decline in the number of horses and mules on farms since 1918 has occurred because the number of colts raised has not been large enough to offset death losses and other disappearance during these years. Exports and other movements of horses and mules from farms have been comparatively small since the World War. In 1921, the number of horse and mule colts on farms on January 1 (which is roughly equivalent to the number of colts raised during the preceding year), totaled a little more than 1.3 million head. Total disappearance of horses and mules in 1920 amounted to about 1.9 million head. As is shown in the accompanying table, the number of colts raised declined steadily during the next 10 years. The number of horse colts raised in 1931 was less than half as large as the number raised in 1920, and only one-sixth as many mule colts were raised in 1931 as 11 years earlier. Disappearance also declined during this period but remained considerably larger than the number of colts raised.

The decline in the number of horse and mule colts raised was checked in 1932 and the number increased until 1938, largely as a result of an advance in prices of horses and mules during these years. This increase in the number of colts raised resulted in some slowing down in the rate of decrease in numbers of horses and mules on farms but it was not large enough to check the downward trend. Since 1937 the number of horse colts raised has again declined, but the number of mule colts has increased.

## Horses and mules: Colts raised and disappearance, 1920 to date

Year	Colts raised 1/			Disappearance 2/		
	Horses	Mules	Horses and mules	Horses	Mules	Horses and mules
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
	:	:	:	:	:	:
1920	981	338	1,319	1,703	221	1,924
1921	816	293	1,109	1,421	237	1,658
1922	701	254	955	1,340	185	1,525
1923	623	220	843	1,370	206	1,576
1924	566	193	759	1,293	182	1,475
1925	562	188	750	1,130	203	1,333
1926	548	158	706	1,243	257	1,500
1927	522	130	652	1,118	278	1,396
1928	503	100	603	1,061	246	1,307
1929	495	79	574	987	207	1,194
1930	453	69	522	1,000	178	1,178
1931	413	51	464	944	176	1,120
1932	416	49	465	789	151	940
1933	495	51	546	734	152	886
1934	610	58	668	801	181	982
1935	658	76	734	884	214	1,098
1936	690	90	780	880	206	1,086
1937	720	104	824	1,037	244	1,281
1938	662	121	783	975	165	1,140
1939	645	145	790	844	208	1,052
1940						

1/ Number of horses and mules under 1 year old on farms on January 1 of the following year.

2/ Calculated from estimates of numbers of horses and mules on farms by age groups. Disappearance includes death losses and net shipments of horses and mules off farms.

Market outlets for horses and mules

Besides the local exchange of horses and mules between farmers, other market outlets for surplus work stock have existed in varying degrees of importance over a period of years, namely: (1) the export market, (2) urban markets for horses and mules, and (3) deficit horse and mule producing areas.

With the exception of 2 or 3 years during the early part of the World War, net exports of horses and mules from the United States never have been large in relation to the total number of work stock on farms. In the 5 years prior to 1915 net exports of horses and mules averaged around 30,000 head annually. In the 3 years 1915 to 1917 purchases of horses and mules for military uses by European countries were large, and close to 900,000 head of horses and 300,000 head of mules were exported in this 3-year period. In the 10 years following 1918 from 10 to 20 thousand head of horses and a similar number of mules were exported annually, the principal foreign markets



being Canada and Mexico. Shipments of mules to Spain were relatively large for several years. In the past 10 years exports of horses and mules have been almost negligible, amounting to only a few thousand head annually. In several years imports have been larger than exports.

Prior to about the time of the World War a substantial number of horses and mules were used in urban industries. In 1910 the number of horses and mules in towns and cities constituted about 12 percent of the total number in this country. Since then nonfarm uses of horses and mules have decreased rapidly and the urban market for work stock has practically vanished.

During the past 20 years a few horses and mules, primarily aged work stock, have been sold each year for slaughter in meat packing plants. This disappearance of horses was fairly large in the 4 years 1928-31, when slaughter under Federal inspection averaged about 130,000 head annually. But with the increase in prices of horses and mules from 1932 to 1937, slaughter of work stock decreased sharply. It increased a little in 1938 and 1939 but has remained much smaller than in the 1928-31 period.

There are several farming areas in the United States which depend to a considerable extent upon other regions for their supply of horses and mules. The most important of these are the South Central and South Atlantic regions. Data are not available regarding the extent of the movement of horses and mules from one region to another, but it appears that this market for surplus horses and mules produced in other regions also has become considerably restricted in recent years.

#### Prices of horses and mules

As shown in figure 1 on page 2 of this report, prices of horses have been low in relation to prices of other farm products since about 1916. Despite a rather sharp increase in exports during the World War, prices of horses made practically no gain in that period. This apparently was because the increase in the export outlet more or less coincided with the displacement of horses on farms by tractors and in cities by trucks in those years. Comparable price data are not available for mules, but there was a moderate increase in prices of these work animals from 1915 to 1920, probably because not so many mules were displaced by tractors as in the case of horses. The mule is the principal work animal used in the South, where tractor farming was not adopted so rapidly as in the West and mid-West. Horse prices declined fairly sharply in 1921 and remained low in relation to the price of other farm products throughout the 1920's. During this period tractor sales were large and the displacement of farm work stock continued at a fairly rapid pace.

From 1932 to 1937 prices of both horses and mules advanced substantially for the first time in many years. With the decline in farm prices after 1929, cash farm income was sharply reduced and farmers generally found it necessary to restrict cash expenses as much as possible. This probably caused the use of tractors for farm work to decrease and the use of horses to increase. The reduced supply of work stock and the tendency toward greater use of horses were important factors in the rise in prices of horses and mules. The recovery in farm prices and income from 1932 to 1937 also contributed to the improvement in prices. Since 1937 prices of horses and mules have again



declined. Prices of mules have remained fairly high in relation to horse prices, however, and this may account for the continued increase in the number of mule colts raised, as contrasted with the decrease in the past 2 years in the number of horse colts raised. Sales of farm tractors were exceptionally large in 1937, and it appears that tractor competition has again increased. The recent development of the small, high speed, single plow type of tractor probably has resulted in a considerable increase in the use of tractor power on small farms which formerly could not afford to operate the larger type tractors.

#### Outlook for horses and mules

A further moderate decrease in the number of horses and mules on farms is expected in the next few years, as it is unlikely that the number of colts raised will increase sufficiently to offset death losses and other disappearance. The tendency toward the replacement of work stock by tractors probably will continue. Exports of horses have not been and are not likely to be stimulated by the European War. It is possible, however, that purchases of horses by the United States Army will increase somewhat in the next year as the National Defense Program gets underway. Large purchases of tractors for military purposes may be accompanied by an advance in prices of tractors to farmers. Such developments may prevent a further decline in the prices of horses and mules during 1941, but it does not appear likely that prices of work stock will advance greatly during the next few years.

Number of horses and mules on farms January 1, farm tractors sold  
and on farms January 1, and prices received by farmers  
for horses and all farm products, 1910 to date

Year	Horses and mules on farms			Farm tractors		Index of prices	
	January 1 1/			Sold in the United States 2/	On farms January 1 3/	received by farmers 4/	
	Horses	Mules	Horses and mules			Horses	All farm products
	Thou- sands	Thou- sands	Thou- sands	Number	Number		
1910	19,972	4,239	24,211		1,000	105	102
1911	20,418	4,429	24,847		4,000	99	95
1912	20,726	4,551	25,277		8,000	98	100
1913	21,003	4,683	25,691		14,000	100	101
1914	21,308	4,370	26,178		17,000	94	101
1915	21,431	5,062	26,493		25,000	92	98
1916	21,334	5,200	26,534	27,819	37,000	92	118
1917	21,306	5,353	26,659	49,504	51,000	94	175
1918	21,233	5,485	26,723	96,470	85,000	92	202
1919	20,922	5,568	26,490	136,162	158,000	85	213
1920	20,091	5,651	25,742	162,988	246,000	83	211
1921	19,369	5,768	25,137	---	343,000	63	125
1922	18,764	5,824	24,588	100,092	372,000	57	132
1923	18,125	5,893	24,018	115,040	428,000	56	142
1924	17,378	5,907	23,285	96,639	496,000	51	143
1925	16,651	5,918	22,569	118,739	549,000	53	156
1926	16,083	5,903	21,986	122,940	621,000	53	145
1927	15,388	5,804	21,192	155,843	693,000	52	139
1928	14,792	5,656	20,448	99,820	782,000	54	149
1929	14,234	5,510	19,744	155,310	827,000	53	146
1930	13,742	5,302	19,124	128,265	920,000	48	126
1931	13,195	5,273	18,468	---	997,000	41	87
1932	12,664	5,148	17,812	---	1,022,000	39	65
1933	12,291	5,046	17,337	---	1,019,000	45	70
1934	12,052	4,945	16,997	---	1,016,000	53	90
1935	11,861	4,822	16,683	132,848	1,048,000	64	108
1936	11,635	4,684	16,319	179,236	1,130,000	69	114
1937	11,445	4,568	16,013	237,618	1,249,000	69	121
1938	11,128	4,428	15,556	154,954	1,418,000	62	95
1939	10,815	4,384	15,199	170,508	1,515,000	59	93
1940 5/	10,616	4,321	14,937		1,610,000		

1/ Agricultural Marketing Service.

2/ Bureau of Agricultural Chemistry and Engineering. Figures not available for years prior to 1916 and for 1921 and 1931-34.

3/ Bureau of Agricultural Economics.

4/ Base period, August 1909-July 1914 = 100.

5/ Preliminary.

## Supplies of hogs and hog products, specified periods

Item	Unit	Oct. - Sept.						
		Sept.	Aug.	Sept.	Average:			
		1939	1940	1940	1928-29:	1937-	1938-	1939-
					to	38	39	40
					1932-33:			
Hog slaughter under :								
Federal inspection:	Thou-							
No. slaughtered <u>1/</u> :	sands	2,385	3,045	3,163	46,363	34,580	39,720	47,651
Live weight:								
Average .....	Lb.	235	240	232	231	234	234	234
Total .....	Mil.lb.	677	731	734	10,723	8,089	9,311	11,142
Total dressed wt. :	" "	506	541	540	8,069	6,046	6,975	8,303
Yield of lard per :								
100 lb. live wt. :								
of hogs .....	Lb.	2/12.6	12.4	11.5	15.2	2/11.9	2/12.8	2/13.2
Production of lard:	Mil.lb.	2/ 85	91	84	1,630	2/ 958	2/1,187	2/1,435
Exports: <u>3/</u>								
Pork .....	" "	9	4	4	211	89	125	115
Lard .....	" "	25	10	10	657	203	270	232
Imports of pork <u>3/</u> :	" "	2	1	4/	6	57	50	7
Proportion of sows :								
in inspected :								
slaughter <u>5/</u> .....	Pct.	52.2	59.0	54.7	51.2	49.9	49.3	50.0

Compiled from reports of Agricultural Marketing Service, except as specified.  
1/ Bureau of Animal Industry. 2/ Revised figures based on the amount of lard rendered in federally inspected plants as reported by the Bureau of Animal Industry. 3/ United States Department of Commerce. Pork includes bacon, hams, and shoulders, and fresh, canned and pickled pork. Lard includes neutral lard.  
4/ Less than 500,000 pounds. 5/ Includes gilts.

## Prices of hogs and hog products, specified periods

Item	Unit	Oct.-Sept.						
		Oct.	Sept.	Oct.	Average:			
		1939	1940	1940	1928-29:	1937-	1938-	1939-
					to	38	39	40
					1932-33:			
Av. price, all purchases:	Dol. per:							
Seven markets .....	100 lb.	6.66	6.31	6.03	1/	8.33	6.85	5.54
Chicago .....	" "	6.85	6.45	6.25	6.99	8.47	7.00	5.69
Av. price of barrows and :								
gilts, Chicago .....	" "	7.04	6.76	6.35	1/	8.76	7.23	5.86
United States average price:								
received by farmers .....	" "	6.52	6.14	5.83	6.48	8.07	6.70	5.44
Av. price of No. 3 Yellow :								
corn, Chicago .....	bu.	48	64	64	62	57	49	60
Hog-corn price ratio:								
Chicago <u>2/</u> .....	Bu.	14.2	10.0	9.7	11.6	14.8	14.4	9.6
N. Central States .....	"	15.7	10.6	10.5	12.9	17.6	16.6	10.6
Proportion of packing sows :								
in total packer & shipper :								
purchases, 7 markets <u>3/</u> ..	Pct.	13.0	21.0	12.0	1/	13.0	13.0	12.0
Av. weight at 7 markets ...:	Lb.	236	242	231	1/	246	247	244

Compiled from reports of Agricultural Marketing Service. 1/ Not available.  
2/ Number of bushels of corn equivalent in value to 100 pounds of live hogs.  
3/ Monthly figures computed from weekly averages.



## Slaughter and market supplies of cattle and calves, specified periods

Item	Unit	Year		Month					
		Average:	1939	1939		1940			
		1924-33:		Sept.:	Oct.:	Aug.:	Sept.:	Oct.:	
Slaughter under Federal inspection:									
Number slaughtered:	Thou-								
Cattle 1/	sands	8,850	9,446	880	893	842	812	968	
Calves 1/	"	4,819	5,264	427	482	432	417	507	
Cows and heifers 2/	"	4,181	4,446	412	466	375	387		
Steers 2/	"	4,340	4,588	428	392	427	386		
Average live weight:									
Cattle	Pounds	953	943	941	940	922	924		
Calves	"	176	191	216	211	206	216		
Total dressed weight:									
Cattle	Mil.lb.	4,532	4,803	445	444	421	404		
Calves	" "	487	559	50	55	49	49		
Inspected shipments: 1/	Thou-								
Feeder cattle and calves	sands	2,894	3,173	456	595	312	517	633	
Imports:									
Cattle 3/	"	253	764	20	61	35	30		
Canned beef 4/	Mil.lb.:5/	36	86	13	8	5	4		

Compiled from reports of Agricultural Marketing Service, except as specified. 1/ Bureau of Animal Industry. 2/ Also included in cattle slaughter. 3/ United States Department of Commerce. General imports prior to 1934; beginning January 1, 1934, imports for consumption. 4/ United States Department of Commerce. Imports for consumption. 5/ Figures include "other canned meats" prior to 1929.

Price per 100 pounds of cattle and calves, October 1940, with comparisons

Item	Oct.	Oct.	Oct.	Aug.	Sept.	Oct.
	average:	1938	1939	1940	1940	1940
	1924-33:					
Beef steers sold out of first hands at Chicago:	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Choice and Prime	12.28	11.93	10.38	11.69	12.53	13.11
Good	10.83	10.01	9.68	10.82	11.15	11.72
Medium	8.92	8.10	8.54	9.21	9.08	9.54
Common	7.04	6.57	7.11	7.27	7.12	7.08
All grades	10.39	10.33	9.87	11.00	11.50	11.87
Cows, Chicago:						
Good	1/6.54	6.82	6.81	7.41	7.33	7.11
Low Cutter and Cutter	2/3.76	4.55	3/4.76	3/4.86	3/4.60	3/4.74
Vealers, Chicago:						
Good and Choice	10.72	10.48	10.91	10.78	11.58	10.93
Stocker and feeder steers, Kansas City:						
Average price all weights	4/7.18	7.47	8.04	8.53	8.41	8.52
Average price paid by packers:						
All cattle	6.83	6.95	7.35	8.24	8.21	
Steers	5/	9.55	9.13	9.95	10.20	
Calves	8.24	7.80	8.01	8.38	8.38	

Compiled from reports of Agricultural Marketing Service. 1/ Good and Choice, 1924-27. 2/ Canner and cutter, 1924-June 1926. 3/ Average of Cutter and Common, and Canner. 4/ Average 1925-33. 5/ Not available.

## Supplies of sheep and lambs, specified periods

Item	Unit	Year		Month					
		Av.	Av.	1939		1940			
		1924-35	1939	Sept.	Oct.	Sept.	Oct.	Aug.	Sept.
Slaughter under Federal inspection									
Sheep and lambs:									
Number slaughtered 1/	Thousands	14,737	17,241	1,380	1,417	1,635	1,585	1,489	1,469
Average live weight	Pounds	81	86	79	80	82	84	82	83
Average dressed weight	"	39	40	38	38	39	39	39	40
Total dressed weight	Mil.lb.	569	694	52	54	63	62	57	58
Lambs and yearlings:	Thousands								
Number slaughtered	sands	13,678	16,137	1,274	1,314	1,525	1,450	1,375	1,355
Percentage of total sheep and lambs	Percent	92.8	93.6	92.3	92.7	93.3	91.5	92.3	92.2

Compiled from reports of Agricultural Marketing Service, except as specified.

1/ Bureau of Animal Industry.

## Prices per 100 pounds of sheep and lambs, by months, August-October 1938-40

Item	1938			1939			1940		
	Aug.	Sept.	Oct.	Aug.	Sept.	Oct.	Aug.	Sept.	Oct.
Slaughter lambs, Chicago:	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Good and choice 1/	8.46	8.05	8.24	8.66	9.73	9.52	9.40	9.14	9.34
Slaughter ewes, Chicago:									
Common and medium	2.62	2.50	2.48	2.25	2.81	2.80	2.18	2.38	2.92
Feeding lambs, Omaha:									
Good and choice	7.32	7.11	7.37	7.76	8.33	8.50	8.39	8.55	8.73
Average price paid by packers:									
Sheep and lambs	7.62	7.29	7.28	7.69	8.42	8.23	8.12	8.50	
Average price received by farmers:									
Sheep	3.40	3.38	3.36	3.59	3.80	3.92	3.60	3.68	3.72
Lambs	6.59	6.46	6.37	6.94	7.57	7.60	7.52	7.59	7.64

Compiled from reports of Agricultural Marketing Service.

1/ Lots averaging within top half of good grade.

## Index numbers of income of industrial workers, and cash income from meat animals, specified periods

Item	Calendar year		Jan.-Sept.		Sept.		Aug.		Sept.
	1938	1939	1939	1940	1939	1940	1940	1940	
Income of industrial workers (1924-29 = 100)	73	83	80	90	86	94	1/	97	
Cash farm income from meat animals: (1924-29 = 100)	78	81	2/ 80	84	2/ 84	2/ 82	1/	85	

1/ Preliminary. 2/ Revised.



